

Relocation Assistance



Introduction

One of the unfortunate, but sometimes unavoidable, consequences of a modern, progressive nation is the necessary displacement of a comparatively small percentage of the population for the greater good of the whole.

If you are required to move as the result of a publicly-financed construction project, you may be eligible for relocation assistance, advisory services and payments provided by federal and state law.

It is the policy of federal and state government that displaced persons shall receive fair and humane treatment, and shall not suffer unnecessarily as a result of programs designed for the benefit of the public as a whole.

This brochure contains only general information designed to acquaint you with available relocation services and benefits. The relocation agent from the City of Lincoln will be happy to explain them in detail.

Table of Contents

The Basic Steps	1
Important Definitions	2
Relocation Assistance Advisory Services	3
Residential Moving Payments	4
Moving Cost Schedule	5
Replacement Housing Payments	5
Owner Occupants of 180 Days or More	7
Purchase Supplement	7
Reimbursement for Other Costs	8
Increased Interest Cost	9
Incidental Expenses	9
Property Tax Increase	9
Owner Occupants and Tenants of 90 Days or More	10
Owner Occupants of 90 - 179 Days & Tenants of 90 Days or More	12
Non-Residential Moving Cost Reimbursements	13
Moving Expenses	14
Searching Expenses	14
Actual Direct Loss of Tangible Personal Property	15
Re-establishment Expenses	15
Ineligible Expenses	16
Fixed Payment	16
Your Right of Appeal	17
Miscellaneous Information	18

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The Basic Steps

If Your Property is Being Acquired and You Need to be Relocated

If you are an owner...

1. The acquiring agency will appraise your property.
2. The appraisal will be reviewed.
3. You will be interviewed by the relocation agent.
4. While contracts and deed are being prepared, a relocation study will be completed.
5. The acquisition and relocation offers will be made to you together. At this time, you will receive a 90-day vacating notice.
6. If you accept the acquisition offer, and are satisfied with the relocation offer:
 - a. then you will be offered assistance in locating a replacement property.
 - b. in the meantime, the acquisition payment will be prepared and delivered to you.
 - c. a final 30-day vacating notice will be issued, when appropriate and if necessary.
 - d. advance relocation payments will be readied, if necessary.
 - e. you will close on your replacement property, and then move.
 - f. final relocation payments will be made.
7. If you don't accept the acquisition offer, and an agreement can't be reached:
 - a. eminent domain procedures will begin.
 - b. relocation activities may be put on hold.
 - c. issuance of the 30-day notice will be delayed.
 - d. upon the award of the court; refer to Step 6 above, except b.

If you are a tenant...

1. The acquiring agency will appraise the property.
2. The appraisal will be reviewed.
3. The acquisition offer will be made to the property owner.
4. A relocation agent will interview you, the tenant.
5. A relocation study will be completed.
6. A relocation offer will be made to you, along with being issued a 90-day vacating notice.
7. Finalize the location of your desired replacement property and make arrangements.

8. Ownership of the property will transfer to the acquiring agency, either through agreement or by eminent domain procedures. (If you are still in occupancy, you will now pay your rent to the agency.)
9. Advance relocation payments will be readied, if necessary.
10. Move to the replacement.
11. Final relocation payments will be made.

Important Definitions

Acquiring Agency This can be the City of Lincoln, Nebraska or any other county, municipal or political subdivision of the State of Nebraska having the authority to acquire private property for public use. The relocation program for the City of Lincoln's projects is administered by the Housing Rehabilitation & Real Estate Division of the Urban Development Department. Political subdivisions may administer their own programs or may contract for that service.

Business Any lawful activity, except a farm operation, conducted primarily for: the purchase, sale, lease and rental of personal and real property; or for the manufacture, processing, or marketing of an article of commerce; or for the sale of services to the public; or for an outdoor advertising display when forced to move.

Displaced Person Any individual, family, business, farm or association that moves from real property or moves their personal property from real property as a result of actions by a governmental agency. This can be as a direct result of: a written notice of intent to acquire, the negotiations for the acquisition of, or the rehabilitation or demolition of such real property.

Family Two or more individuals living together in a single family dwelling unit, either related or by mutual consent.

Farm The term "farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities, including timber, for sale and home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

Initiation of Negotiations This term means the date the City of Lincoln delivers to the owner of the real property a written offer for the purchase of property, or a notice of its intent to acquire such real property.

Small Business A business having at least one, but not more than 500 employees working at the site being acquired by the City of Lincoln.

Relocation Assistance Advisory Services

Any person, family, business or farm displaced by a project shall be offered relocation assistance services for the purpose of locating a suitable replacement property. Relocation services are provided by qualified personnel employed by the City of Lincoln. It is their goal and desire to be of service to you, and assist in any way possible to help you successfully relocate.

Your relocation agent will provide you with assistance sufficient to meet your needs. You will be assisted in completing application and claim forms for payments and all relevant financial information concerning replacement housing will be explained. Every displaced person will be offered assistance in order to minimize hardships encountered in searching for and locating a decent, safe, and sanitary replacement property. This includes transportation to inspect housing which we have referred to you, if you need it.



If you have a special problem, your agent will make every effort to secure the services of other public and private agencies in your community which are equipped to help you. So please make your needs known to your agent. If the agent can't personally help you with a specific problem, perhaps he or she can find someone who can help.

No one will be required to move from their existing dwelling for at least 90 days after a decent, safe and sanitary replacement dwelling has been made available to them. If decent, safe and sanitary housing is not available, the City of Lincoln will take whatever steps are necessary to provide housing through their Last Resort Housing methods.

Remember - your agent is there to help and advise you; be sure to make full use of their services. Don't hesitate to ask questions, and be sure you understand fully all of your rights and relocation benefits.

Do not move until you have contacted your relocation agent or are given an official notice to vacate the premises.

Residential Moving Payments

Displaced individuals and families may choose to be paid on the basis of actual, reasonable moving costs and related expenses, or according to a fixed moving cost schedule. However, to assure your eligibility and prompt payment of moving expenses, you should contact the relocation agent from the City of Lincoln before you move. You can choose from either:

Commercial Move

1. You hire the mover.
2. You pay the bills.
3. We reimburse you.



OR



Move Yourself

1. Amount is based on number of rooms (see *Moving Cost Schedule*).
2. No receipts required.

If you hire a commercial mover, **actual reasonable moving expenses** may be reimbursed. Certain other expenses are also reimbursable if the City of Lincoln determines that such costs are necessary, such as transportation costs to the new location, temporary quarters, storage of personal property, insurance costs while personal property is in storage or transit, reconnection of utilities, and other related costs. Your expenses must be reasonable and supported by receipted bills. Reimbursement is also limited to a 50-mile moving distance in most cases. Before taking this option you must submit to us at least two competitive bids from qualified commercial movers.

If you move yourself, you will be paid on the basis of the **moving cost schedule**. Moving cost schedules are prepared to provide adequate reimbursement for your moving expenses. The amount of the payment is based on the number of rooms in your dwelling. If you choose this option, your expenses need not be supported by receipted bills. Under this option you will not be eligible for reimbursement of related expenses.

Persons moving from a rooming or dormitory type situation, and who have a minimal amount of personal possessions, will be limited to a total moving payment of \$50. This amount also applies to anyone whose move is performed by the City of Lincoln at no cost to the person.

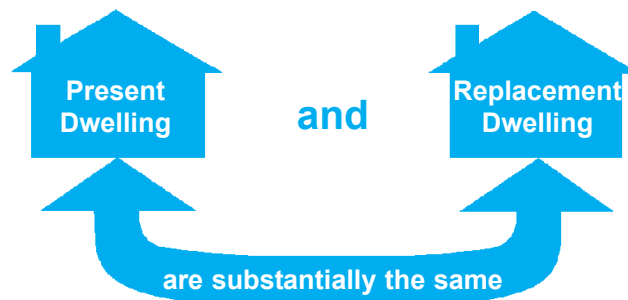
Moving Cost Schedule

Occupant Provides Furniture								
Number of Rooms of Furniture								Each Add'l Room
1	2	3	4	5	6	7	8	
\$345	\$485	\$620	\$760	\$865	\$965	\$1,070	\$1,175	\$105
Occupant Does Not Provide Furniture								
First Room				Each Additional Room				
\$275				\$35				

Replacement Housing Payments

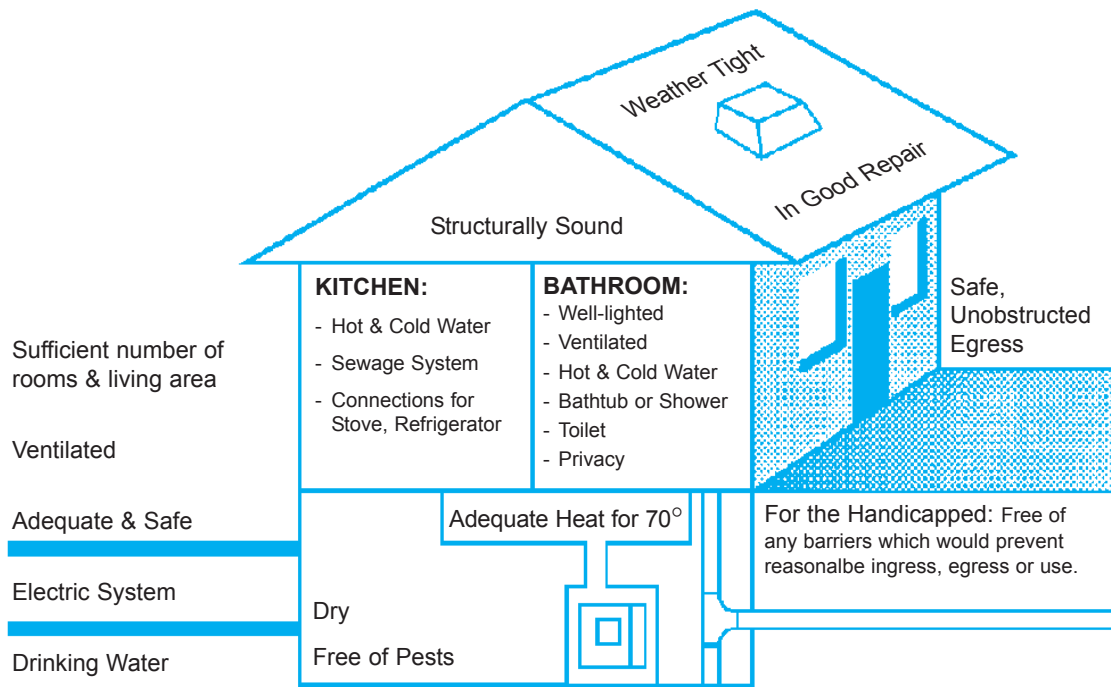
Replacement Housing Payments are to compensate the displaced person for increases in housing costs caused by acquisition of their dwelling. These payments represent the difference between the acquisition cost of your present dwelling and the purchase price of a comparable dwelling chosen by the City of Lincoln, or of the replacement dwelling you occupy, whichever is less. A **comparable replacement dwelling** means that your present dwelling and your replacement dwelling are substantially the same.

A comparable replacement dwelling is functionally equivalent and substantially the same as the original dwelling acquired, regarding the number of rooms, area of living space, construction, age and condition.



It must be located in an area with comparable public utilities, public and commercial facilities. It must be reasonably accessible to your place of employment and adequate to accommodate your needs. It must be located in an equal or better neighborhood and within your financial means. A comparable replacement dwelling must also be available on the open market and be fair housing, open to all persons regardless of race, color, religion, sex or national origin.

A comparable replacement dwelling must also be **decent, safe and sanitary**. Often referred to a "DSS," decent, safe and sanitary housing meets all of the minimum requirements established by regulation and conforms to local housing codes and ordinances for existing structures.



The kinds of Replacement Housing Payments that you may be eligible for depends on whether you are an owner or tenant and how long you have lived in the property being acquired prior to negotiations. There are three categories of payments:

- **Owner Occupants of 180 Days or More**
- **Owner Occupants & Tenants of 90 Days or More, and**
- **Owner Occupants of 90 - 179 Days & Tenants of 90 Days or More.**

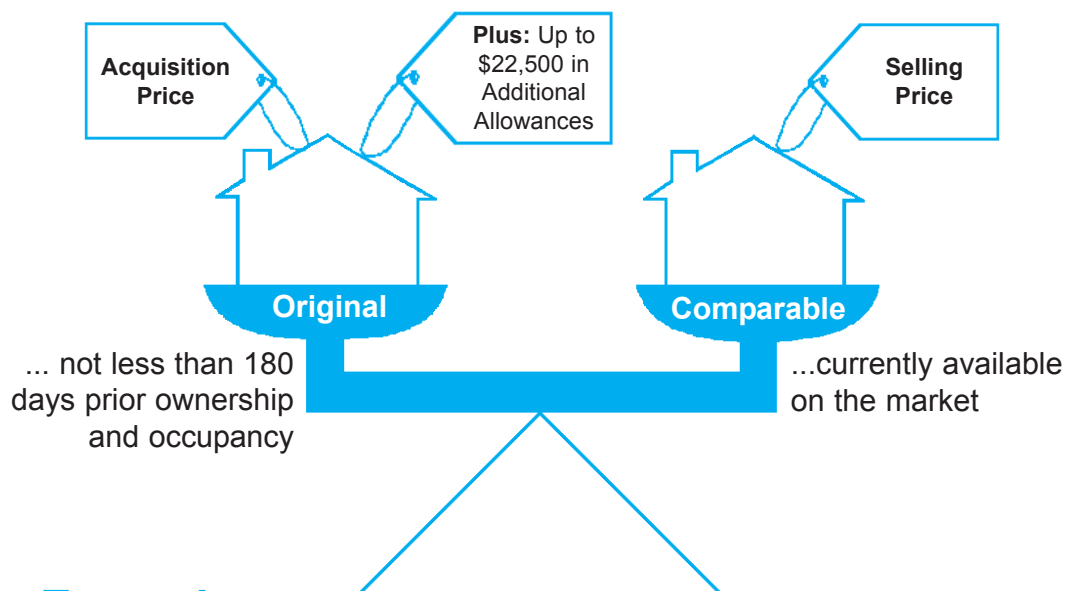
■ Owner Occupants of 180 Days or More

Purchase Supplement

If you are an owner and have occupied your home for 180 days or more immediately prior to the initiation of negotiations for the acquisition of your property, you may be eligible for a ***purchase supplement*** - in addition to the acquisition price of your property. This purchase supplement cannot exceed \$22,500 for all costs necessary to purchase a comparable DSS replacement dwelling. The City of Lincoln will compute the maximum payment you are eligible to receive, attempting to balance the scale illustrated below.

To qualify for this supplemental payment, you must purchase and occupy a DSS replacement dwelling within one year after the latter of:

1. the date you receive final payment for the acquired dwelling or,
2. in the case of condemnation, the date the required amount is deposited in the court.

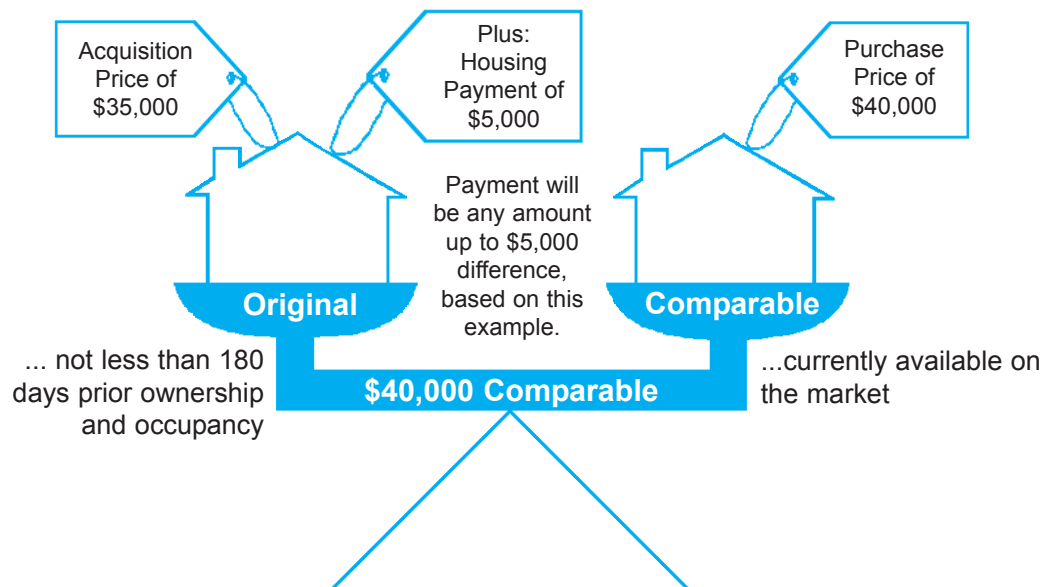


For Example...

Assume that the City of Lincoln purchased your property for \$35,000. After a thorough study of all available decent, safe and sanitary dwellings on the open market comparable to your dwelling, the City of Lincoln made the determination that a replacement property will cost you \$40,000. The City will pay you a maximum replacement housing payment of \$5,000 if you, in fact, purchase a replacement property costing \$40,000 or more. If your purchase price exceeds \$40,000, you must pay the difference in excess of \$5,000. For example, if you purchased a replacement property for \$42,000, you would receive a

purchase payment of \$5,000 and you would pay the difference of \$2,000. If you purchased a replacement property for \$38,000, you would receive a payment of only \$3,000 on the basis of actual cost. Your payment cannot exceed actual cost difference or the amount determined by the City whichever is less.

Purchase Price of Replacement	Comparable Replacement Property	Acquisition Price of Your Property	Maximum Purchase Supplement
	\$40,000	\$35,000	\$5,000
\$42,000	40,000	35,000	5,000
40,000	40,000	35,000	5,000
38,000	40,000	35,000	3,000



Reimbursement for Other Costs

The City of Lincoln will also reimburse you for other costs that may be involved in the purchase of a replacement dwelling. However, your total payment, including the purchase supplement, cannot exceed \$22,500 according to the law. The purchase supplement and other incidental costs are payments in addition to the purchase price of the dwelling acquired from you.

It is the intent of the relocation program to compensate the displaced person for their actual relocation expenses. However, those reimbursements must be reasonable and should not unfairly enrich the displacee. With this in mind, here are some of the items which will be reimbursed, and the conditions which must be met for doing so.

■ **Increased Interest Cost**

Persons eligible for this payment must have had a mortgage on the acquired dwelling, which was a valid lien, for at least 180 days prior to the initiation of negotiations.

This payment, when added to the down payment on the replacement, is designed to reduce a person's replacement mortgage to an amount which can be amortized at the same monthly payment, for principal and interest, over the remaining term on the old mortgage, or if less, the remaining term on the new mortgage. This procedure is commonly known as a "buydown."

Your payment will be reduced if you actually borrow less than the amount we calculate as your new mortgage.

In order to compute the payment, all pertinent information must be available to the agent, such as old and new interest rates and points, the remaining term and principal balance on the old and new mortgage, and the old and new monthly p&i payment. To make this payment work, please discuss it with your agent before you secure a new mortgage.

■ **Incidental Expenses**

You may be reimbursed for some of your closing costs connected with the purchase of your replacement dwelling, but not for prepaid expenses such as taxes or insurance. Here is a list of some of those items and the conditions for their being eligible:

- | | |
|--|---|
| □ Notary fees | □ Legal fees - for preparing contracts or for closing, when reasonable. |
| □ Deed recording fees | □ Appraisal fee - if acquired property had a mortgage. |
| □ Termite inspection | □ Application fee - if acquired property had a mortgage. |
| □ Title search | □ Credit report - if acquired property had a mortgage. |
| □ Survey | □ Loan recording fees - if acquired property had a mortgage. |
| □ Inspections when warranted or required. | |
| □ Title insurance - buyer's half, not to exceed the cost for the comparable. | |
| □ Mobile home sales tax - not to exceed the cost for the comparable. | |

■ **Property Tax Increase**

If there is an increase in your real property taxes, you will be reimbursed over a three year period. The payment will not exceed the difference between your old taxes and the comparable's taxes.

The first computation and payment is made at the time of closing on your replacement. The second computation and payment will occur in the first months of the following year, with the third and final payment coming a year later. In some cases the displacee may take the first computed amount, times three, in a lump sum.

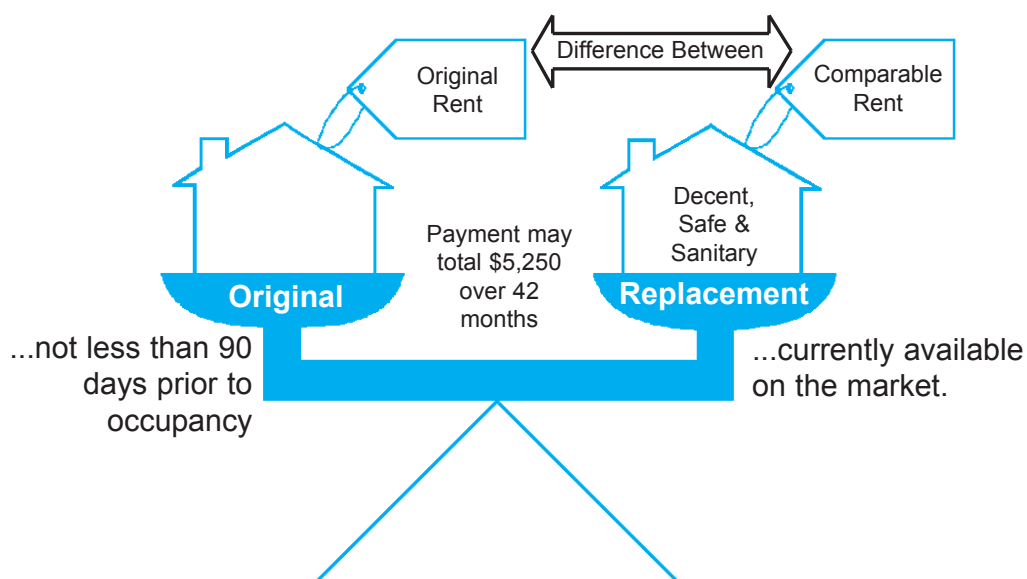
■ Owner Occupants and Tenants of 90 Days or More

Owner occupants and tenants of 90 days or more may be eligible for a rent supplement. To be eligible for this type of payment, tenants and owners must have been in occupancy at least 90 days prior to the initiation of negotiations for the acquisition of the property. This type of payment is a supplement, enabling you to rent a DSS replacement dwelling for three and one-half years, or 42 months. If you choose to rent a replacement dwelling and the rental payments are higher than you have been paying, you may be eligible for payments not to exceed \$5,250.

The maximum payment which you qualify for, if any, will be determined by the City of Lincoln in accordance with established procedures. The rent supplement payment will be disbursed in equal installments.

In addition to the occupancy requirements, you must rent and occupy a DSS replacement dwelling within one year after:

1. for a tenant, the date you move from the acquired dwelling; or
2. for an owner occupant, the latter of:
 - a. the date you receive final payment for the acquired dwelling, or in the case of condemnation, the date the full amount of the estimate of just compensation is deposited with the court; or
 - b. The date you move from the acquired dwelling.



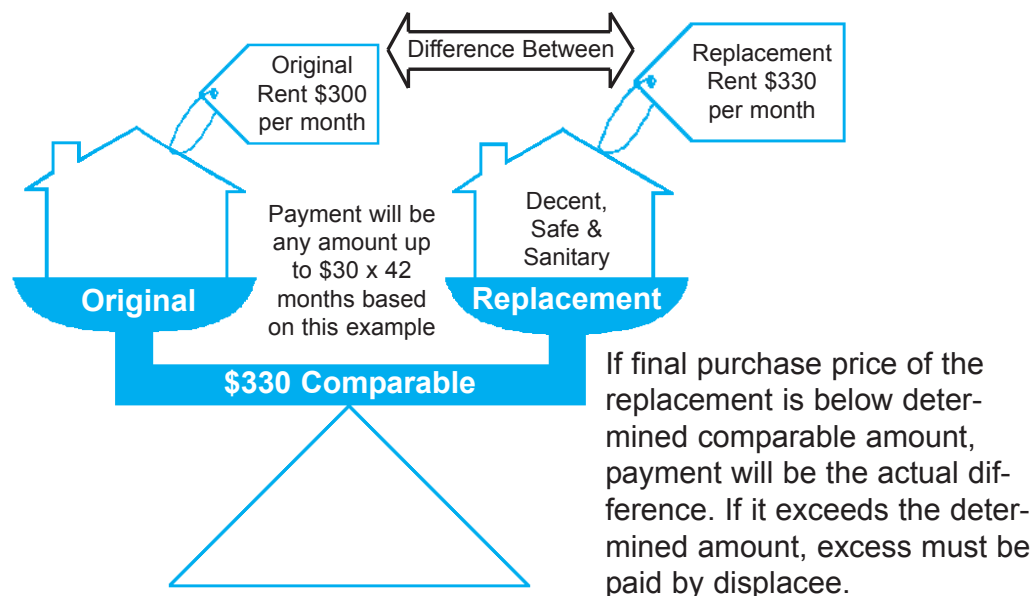
For Example...

As an example of how a rent supplement is computed, let's assume that you have been paying \$300 per month rent for the dwelling occupied by you and purchased by the City of Lincoln. After a study of the rental market, the City makes the determination that a replacement rental unit which is DSS and comparable to your present dwelling will rent for \$330 per month. The **maximum** rent supplement you can receive in this case is \$30 per month for a 42-month period.

If you select a replacement dwelling which rents for \$350 per month, despite the availability of comparable DSS replacement rental units that rent for \$330 per month, you will still receive only the maximum payment computed by the City of Lincoln as indicated above. In other words, you must pay the additional \$20 per month out of your own pocket. And, if you select a replacement dwelling which rents for more than your present rent, but less than the amount determined by the City, you will be paid on the basis of actual cost.

For example, assume you select a replacement dwelling unit that rents for \$320 per month. On the basis of actual cost you will be eligible for a payment of \$20 per month for 42 months.

The computations above are based on all dwellings having utilities included in the rent. Computations for an owner occupant are basically the same, except that a fair market rental amount will need to be established on your dwelling, for comparison with available rental dwellings.



■ For Owner Occupants of 90 to 179 Days and Tenants of 90 Days or More

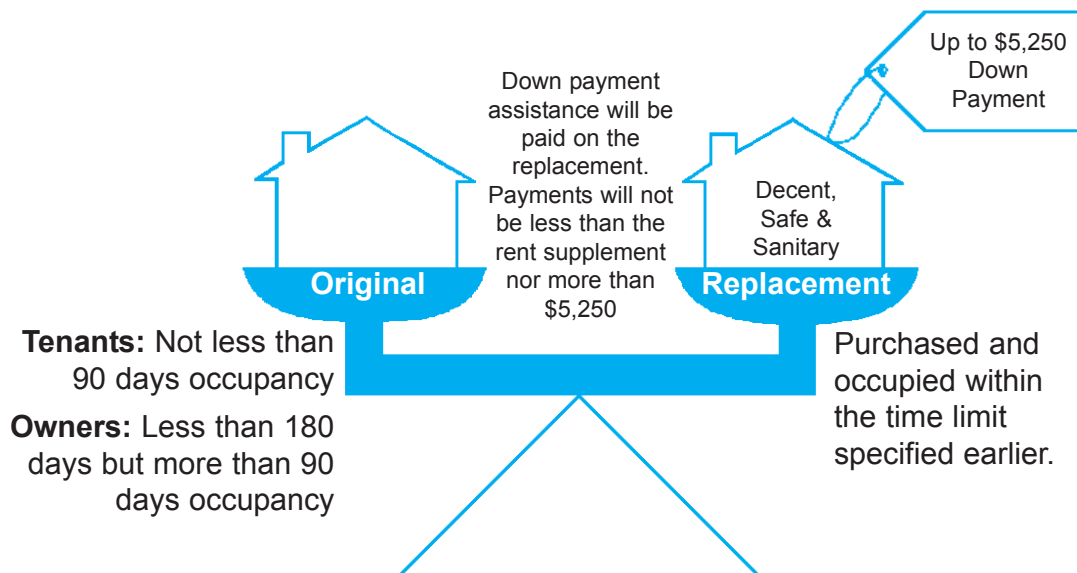
Owner occupants of 90 days to 179 days and tenants of 90 days or more who purchase a replacement dwelling are entitled to a down payment assistance payment in the amount the person would receive as a rent supplement as described previously. If the amount of the required down payment is greater than the computed rent supplement, that amount will be paid, not to exceed \$5,250.

The term “required down payment” means the down payment ordinarily required to obtain conventional loan financing for the decent, safe and sanitary dwelling actually purchased and occupied by the displaced person.

The payment to an owner occupant of 90 days to 179 days shall not exceed the amount the owner would receive as a purchase supplement if the owner met the 180 day occupancy requirement.

The full amount of the down payment assistance payment must be applied to the purchase price of the replacement dwelling and related incidental expenses.

Although this may sound complicated, the relocation agent from the City of Lincoln will explain the procedure to you personally.





Non-Residential Moving Cost Reimbursement

Businesses, Farms & Nonprofit Organizations

Owners or tenants are eligible for payments designed to reimburse them for:

1. Their costs in moving personal property.
2. Their time in searching for a new location.
3. Actual loss of tangible personal property.
4. Their expenses in re-establishing at a new site.

OR

5. They can take a fixed payment in lieu of the other relocation benefits. This payment is between \$1,000 and \$20,000, based on the net earnings of the business or farm.

Not all businesses, farms, or nonprofit organizations qualify for all payments. A relocation study will determine the extent of your eligibility.

Moving Expenses

When there is personal property to move, the owner of it has two methods to choose from:

- ***Commercial Move.*** You may be paid the actual reasonable costs of your move provided by the services of a commercial mover. All of your expenses must be supported by receipted bills in order to assure payment of your moving claim.
- ***Self-Move.*** If you decide to move yourself you may be paid an amount which does not exceed the lower of two firm bids by two qualified moving firms. If bids can't be obtained, your payment may be based on your actual, reasonable moving expenses supported by receipted bills or other evidence of expenses incurred.

You must first provide the City of Lincoln with an inventory of the items to be moved. The relocation agent will make a moving estimate, or will secure two bids from commercial movers. You will be offered an amount to move yourself, or you can hire a commercial mover; reimbursement not to exceed the low bid.

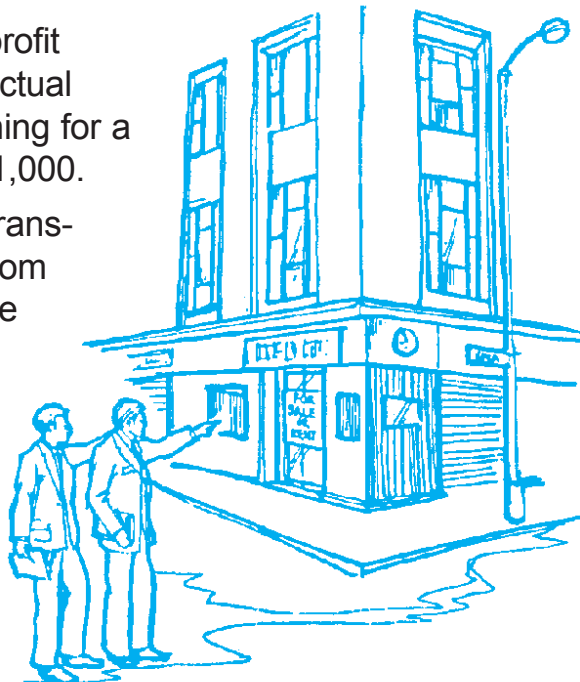
You must give your agent advance notice of the start of your move so that the move can be monitored, if needed.

Some, but not all, of the elements of the move eligible for reimbursement are: transportation costs; packing costs; disconnect and reconnection of equipment; storage costs, if necessary; insurance; unused portions of licenses or permits; costs of obsolete signs and stationery.

Searching Expenses

Displaced businesses, farms and nonprofit organizations may be reimbursed for actual reasonable expenses related to searching for a replacement property, not to exceed \$1,000.

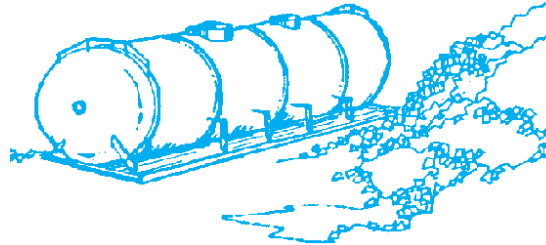
Expenses may include costs such as transportation, meals, lodging when away from home, and the reasonable value of time actually spent in search. All expenses must be supported by receipted bills. The value of time spent in the search must be supported by W-2 forms, pay stubs, tax returns, or other documentation. A detailed record of your searching activities must be kept and submitted before payment can be made.



Actual Direct Losses of Tangible Personal Property

A business or farm operation may decide not to move certain items of personal property, or to discontinue the operation. If so, this payment is designed to compensate for some of that loss. There are two situations and methods of computing your payment:

1. Item is not replaced. Payment will be the lower of:
 - a. Fair market value of item (in place value); Minus the proceeds of the sale of the item (must at least attempt); Plus reimbursement of the sale expenses; or
 - b. Estimated cost of moving the item (up to 50 miles).
2. Item to be replaced with new. Payment will be the lower of:
 - a. Cost of substitute item, including installation costs; Minus proceeds from the sale or trade-in of the old item; or
 - b. Estimated cost of moving and reinstalling the old item.



Re-establishment Expenses

In addition to the previous benefits, a small business, farm or nonprofit organization may be eligible for reimbursement of expenses actually incurred in relocating and reestablishing at a replacement site. Expenses must be reasonable and necessary, as determined by the City of Lincoln, and the payment will not exceed \$10,000. Some of these expenses may include, but are not limited to:

1. Repairs to the replacement real property, as required by law or code.
2. Modifications to the property to adapt it to the business's needs.
3. Construction and installation costs, up to \$1,500, for exterior advertising signing.
4. Provision of utilities from right-of-way to improvements.
5. Necessary redecoration or replacement of worn surfaces, such as paint or carpeting.
6. Feasibility surveys, soil testing, and market studies.
7. Advertisement of new replacement location, up to \$1,500.
8. Professional fees in connection with the purchase or lease of a new site.
9. Impact fees or one-time assessments for anticipated heavy utility usage.

10. Estimated increased costs of operation during the first two years at the new site, not to exceed \$5,000, for such items as:
 - a. lease or rental charges
 - b. personal or real property taxes
 - c. insurance premiums
 - d. increased utility charges, excluding impact fees.

Ineligible Expenses

The following is a nonexclusive list of re-establishment expenses not eligible for reimbursement:

1. Purchase of capital assets, such as office furniture, machinery, or trade fixtures.
2. Purchase of materials, supplies, or other items used in the course of normal operations.
3. Interest on money borrowed to make the move or purchase the replacement site.
4. Payment to a part-time business in the home which does not contribute substantial income.

Fixed Payment

Displaced businesses, farms and nonprofit organizations may be eligible for a fixed payment ***IN LIEU*** of actual moving expenses, reestablishment expenses, actual direct loss of tangible personal property, and searching expenses. Such payment may not be less than \$1,000 nor more than \$20,000. For the owner of a business to be eligible for this payment, the City of Lincoln must determine that:

1. the business owns or rents personal property to be moved.
2. the business cannot be relocated without a substantial loss of its existing patronage (income).
3. the business contributes materially to the owner's income.
4. the displaced business is not part of an enterprise having at least three other similar entities not being acquired.
5. the business is not solely for the purpose of rental property.

For the owner of a farm operation to be eligible for this payment, it must be determined that:

1. The operation contributes materially to the operator's income.
2. The acquisition of part of the land causes the operator to be displaced from the remaining land.
3. The partial acquisition causes a substantial change in the nature of the farm operation.

Computation of Your Fixed Payment...

The amount of the actual payment for businesses and farms is determined by the average of the annual net earnings for the operations in the two years preceeding the taxable year during which the enterprise is relocated.

For Example:

3rd Prior Year	2nd Prior Year	Year of Acquisition
Annual Net Earnings \$8,000	Annual Net Earnings \$14,000	Year of Relocation
<hr/> Average <hr/>		

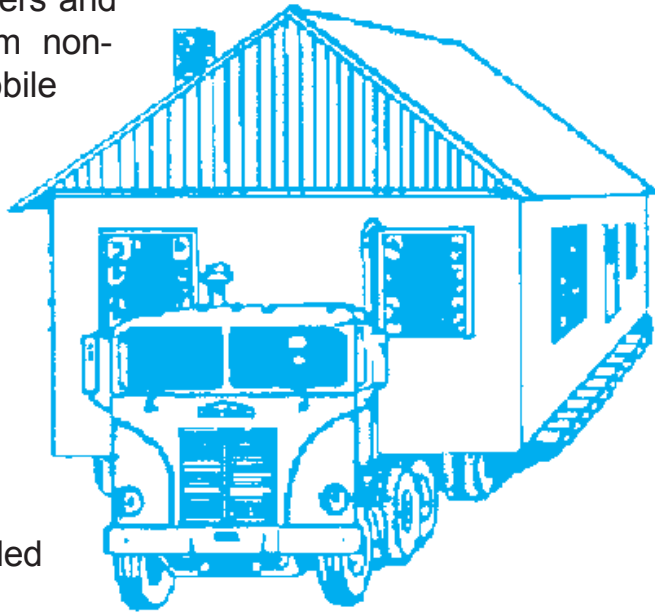
\$11,000 = Fixed payment; also called IN LIEU payment

A nonprofit organization is eligible for this payment when it cannot be relocated without a substantial loss of its membership or clientele. Any payment above \$1,000 is based on annual gross revenue minus administrative expenses.

You must provide tax information to the City of Lincoln to support your net earnings. If you've been in business less than two years, the net earnings for the actual period will be projected to an annual rate. Net earnings include compensation paid to the owner, the owner's spouse or dependents.

Miscellaneous Information

In the case of mobile home owners and tenants who are displaced from non-decent, safe and sanitary mobile homes, the replacement housing payments described earlier are applicable. For those mobile homes that are decent, safe and sanitary and can be moved, the provision of rental replacement housing payments, a purchase down payment on another site, or a purchase differential are applicable. Further explanation of these payments will be provided by your relocation agent.

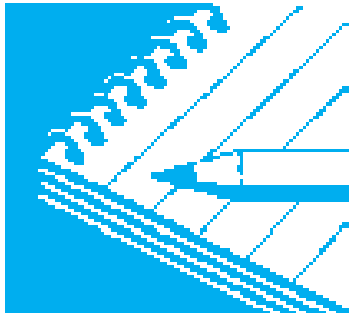


If you choose to retain your present dwelling and move it to a new location, the replacement housing payment if any, will be the amount by which the cost to relocate the retained dwelling exceeds the acquisition price of the dwelling.

This payment may not exceed the computed replacement housing payment based on the purchase of an available, comparable DSS dwelling.

No relocation payment received shall be considered as income for the purpose of the Internal Revenue Code of 1986 or the state tax laws. These payments are not income for determining the eligibility of any person for assistance under the Social Security Act or any other federal law, except for any federal law providing low income housing assistance.

Your Right of Appeal



If you have been refused a relocation payment, or if you believe that the payment offered was not adequate to relocate, you may file an appeal. To do that, request an appeal form by calling Urban Development Department at 441-7864. Fill out the appeal form and return it to: Housing Rehabilitation & Real Estate Division, 808 P Street, Suite 400, Lincoln, NE 68508.

Your appeal will be reviewed by the City of Lincoln's Real Estate Supervisor, who will make a decision after consulting everyone involved with the original determination. If you are unsatisfied with that decision, you may appeal it to the Director of the Urban Development Department.

If you are unsatisfied with the Director's decision, you may appeal it to the Mayor. The Mayor will appoint a Relocation Appeal Board to preside over an information hearing. After reviewing the facts as presented by the Relocation Appeal Board, the Mayor makes the City's final determination. If still dissatisfied, you may appeal that determination to the District Court of Lancaster County.